

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4917S.01I
Bill No.: SB 1032
Subject: Office of Administration Department of Corrections; Courts; Drugs and
Controlled Substances; Health, Public
Type: Original
Date: March 2, 2022

Bill Summary: This proposal modifies the Opioid Addiction Treatment and Recovery Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a similar proposal (HB 2162), officials from the **Attorney General's Office (AGO)** stated this proposal would not fiscally impact their office.

Officials from the **Department of Mental Health, Department of Social Services, Department of Health and Senior Services, the Office of Administration, and the Department of Public Safety** each state this proposal would not fiscally impact their respective agencies.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Department of Corrections (DOC)** state the bill modifies provisions relating to the opioid addiction treatment and recovery fund.

At intake, 46% of Missouri's prison population reported a history of prescription drug, illicit drug and/or alcohol use. Research indicates that approximately 58% of those confined in prisons have a substance use disorder (Connolly, 2019). It is reasonable to assume offenders likely under-reported their use at intake and that the true incidence is much closer to 58%.

Approximately 13,340 (23,000 x 58%) of the offenders incarcerated in Missouri prisons have a substance use disorder. Methamphetamine is still the most common drug of choice among the Missouri offender population; however, opioid use disorders are definitely on the rise and when paired with alcohol use disorders are conservatively estimated to affect 4,002 (13,340 x 30%) incarcerated offenders.

This legislation could have a positive impact on the Department of Corrections and could allow for the expansion of programs and services. However, as this fund is dependent on monetary settlements and appropriation by the General Assembly, it is unknown how much funding will be appropriated to the DOC for use in treatment programming and prevention.

Oversight notes the following information is provided on the AGO's website, "*The Missouri Attorney General's Office recently announced a term sheet and settlement with several opioid distributors (McKesson, Amerisource Bergen, and Cardinal Health), and Johnson & Johnson, which could total just under half a billion dollars to be spent directly on opioid abatement and treatment. This money will go to aid those suffering from addiction and provide needed resources to treatment centers and other support systems across the state. With this settlement, the Missouri Attorney General's Office is working to fight addiction and save lives.*" Also stated

on the AGO’s website “*Under the term sheets that were distributed, the three distributors – Amerisource Bergen, McKesson, Cardinal Health - collectively will pay up to \$21 billion over 18 years. Johnson & Johnson will pay up to \$5 billion over nine years with up to \$3.7 billion paid during the first three years. Formulas and payment structures are still being worked out, so the exact monetary value that Missouri will receive is not final yet, although the settlement will mean hundreds of millions for opioid abatement and treatment.*”

Officials from the **Office of the State Courts Administrator (OSCA)** state in reference to this proposal, there may be some impact but there is no way to quantify that currently. The use of the Opioid Addiction Treatment and Recovery Fund could potentially result in appropriations from the fund for the Judiciary.

Oversight assumes this proposal simply expands the list of state agencies that can receive monies from the Opioid Addiction Treatment and Recovery Fund (0705) (balance of \$9,229,905 at 2/28/2022) to also include the Department of Corrections, the Judiciary, and the Office of Administration. Oversight assumes the proposal does not create a direct fiscal impact to the state and would simply allow more flexibility during the state’s appropriations process.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies the Opioid Addiction Treatment and Recovery Fund to permit the Office of Administration, the Department of Corrections, and the judiciary to access moneys in the fund for the purposes of opioid addiction treatment and prevention services and health care and law enforcement costs related to opioid addiction treatment and prevention.

L.R. No. 4917S.011

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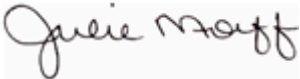
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This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Corrections
Department of Public Safety
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Office of Administration
Office of the State Courts Administrator



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